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## Canada

## Honey

## Production and Trade Update

## 2005

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**Report Highlights:**

Canadian honey production in 2005 slipped to 33,918 metric tons, 1% below the year earlier level due to lower production in Alberta and in British Columbia. Low prices for honey are adversely affecting the market. Some beekeeping groups are exploring Canadian anti-dumping law provisions over concerns about imports of low-priced Chinese honey.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Ottawa [CA1]  
[CA]

## Honey Production Update

Canadian honey production in 2005 slipped to 33,918 metric tons, 1% below the year earlier level due to lower production in Alberta and in British Columbia. While honey output was higher in both Saskatchewan and Manitoba, beekeepers in Alberta reported a 14% decline from last year due to a cold summer. Almost 80% of total Canadian honey production is produced in the Prairie Provinces. In British Columbia, honey yield was close to the five year average but production fell 25% from last year's near record harvest. The estimates for total Canadian honey production are shown in the table below.

According to Statistics Canada, lower wholesale prices for honey in 2005 adversely affected the market. Some beekeepers chose to rent their hives for pollination purposes rather than to extract the honey. Competition from cheap imports (see trade summary) and weak bulk honey prices made honey sales less attractive. There was a reported increase in the number of producers who sold to the retail market because wholesale honey prices fell well below \$1 per pound.

Canadian Honey Production			
	# Beekeepers	# Colonies	Production (metric tons)
Average 1999-2004	8,690	590,818	34,603
2004 Revised	7,925	597,890	34,242
2005 Prelim.	7,895	609,645	33,918
Source: Statistics Canada			

## Trade

### Imports

Annual Canadian honey imports have been relatively stable in recent years. Honey producers are complaining that cheap imported honey from China, Vietnam and Argentina is driving down Canadian honey prices (the table on the next page details average prices per kilogram of imported honey). Many honey packers in Canada are blending Chinese and Argentine honey with Canadian honey. At least one major grocery distributor is carrying a brand name packaged honey product from Australia. U.S. sales of honey to Canada are minor.

Canadian Honey Imports by Major Supplying Country  
Calendar Year and Year-to-Date Comparisons  
Units: metric tons  
HS 0409

Country	2002	2003	2004	Jan-Sept	Jan-Sept	% change
				2004	2005	05/04
-- The World --	8,149	8,830	8,894	6,633	6,052	-9%
Argentina	5,720	4,392	2,034	925	2,243	142%
China	1,096	1,886	4,762	4,168	1,878	-55%
Australia	121	1,056	1,120	829	1,230	48%
United States	642	626	482	299	396	32%
Vietnam	168	37	40	39	74	88%
Brazil	6	116	93	74	42	-43%
United Kingdom	3	255	39	39	21	-45%
Switzerland	46	67	54	52	19	-64%
New Zealand	40	72	50	46	19	-59%
Slovenia	-	23	16	9	7	-22%
All Others	307	301	204	152	124	-19%

Source: Derived from World Trade Atlas

### Average Prices of Honey Imports

The following table clearly shows that low-priced honey is entering Canada from Asian countries and Argentina.

#### Average Prices of Canadian Honey Imports by Major Supplying Country

Units: US\$/kg

HS 0409

Country	2002	2003	2004	% Change
				- 04/03 -
-- The World --	\$1.83	\$2.07	\$2.00	-3%
Vietnam	\$1.28	\$2.08	\$1.52	-27%
China	\$1.01	\$1.09	\$1.64	50%
Argentina	\$1.99	\$2.57	\$2.06	-20%
New Zealand	\$1.64	\$1.90	\$2.38	25%
Brazil	\$1.26	\$2.60	\$2.55	-2%
United States	\$2.02	\$2.21	\$2.59	17%
Slovenia	\$0.00	\$1.73	\$2.73	58%
Australia	\$1.79	\$1.83	\$2.78	52%
Switzerland	\$1.80	\$2.04	\$3.21	57%
United Kingdom	\$2.28	\$1.37	\$4.45	225%

Source: World Trade Atlas

## Exports

In the January to September period of 2005, the pace of Canadian honey exports rose 3% above the year earlier level, but on balance for the year, they are forecast to be similar, or slightly below 2004. Total Canadian honey exports have been under pressure in recent years reflecting strong competition in the U.S. honey market, the major export destination for Canadian honey exports. Over the five-year period 2000-2004, Canadian honey exports recorded an annual average growth rate of -11%.

## Canadian Honey Exports

Calendar Year and Year-to-Date Comparisons

Units: metric tons

HS 0409

				Jan-Sept	Jan-Sept	% change
Country	2002	2003	2004	2004	2005	05/04
-- The World --	21,926	13,032	11,953	8,172	8,412	3%
United States	19,614	11,607	10,172	6,948	7,074	2%
Germany	971	725	599	368	585	59%
Japan	468	345	458	289	235	-19%
France	39	48	162	123	82	-33%
United Kingdom	408	83	128	108	70	-36%
Belgium	-	16	98	98	40	-59%
China	104	-	82	41	102	151%
Ireland	42	18	66	32	32	-1%
Bahamas	6	45	39	32	32	-1%
Netherlands	43	-	31	31	17	-45%
All Others	229	145	119	104	143	37%

Source: World Trade Atlas

## Policy

Recent honey industry newsletters indicate that Alberta beekeepers are seeking support for anti-dumping action against Chinese honey similar to U.S. anti-dumping action (see USITC Invs. Nos. 701-TA-402 and 731-TA-892-893). Producers argue that the current bulk honey prices in Canada are due to unfair competition from cheap imports. Wholesale honey prices are reportedly below C\$1 per pound. So far, these developments have not resulted in a formal petition to the Canada Border Services Agency, the federal government department that conducts Canada's anti-dumping and countervailing duty investigations.

## Canada's Honeybee Prohibition Order

In May 2004, The Canadian Food Inspection Agency (CFIA) enacted regulations to permit U.S. honeybee queens from the continental U.S. and their attendants to be imported into Canada. The prohibition for importing any other honeybees from the continental U.S. was renewed until December 2006. Canada has prohibited the importation of honeybees from the continental U.S. since the outbreak of varroa mite in U.S. honeybees 1987. Imports of bees from Hawaii were excluded from the ban. Canada's Honeybee Importation Prohibition Regulations, in effect for many years to protect against the importation of varroa mites, were renewed in 1999 with the proviso that the CFIA would annually review the health status of honeybees in Canada to ensure that continuing the ban was appropriate. Since the last extension of the prohibition in 2000, the health status of Canadian honeybees has deteriorated and treatment resistant varroa mites are known to exist in at least seven (7) provinces and antibiotic-resistant American Foul Brood occurs in western Canada with the exception of Saskatchewan. Canadian beekeepers have faced increasing difficulties in obtaining the necessary number of honeybee queens for the honey production and pollination seasons due to winter losses and limited availability from Hawaii, New Zealand and Australia. Importing honeybee queens from the continental U.S. will help Canadian beekeepers replenish their stock with a minimum risk of introducing new bee diseases.

As a result of the easing of the restriction on importations of live bees from the United States, Canadian beekeepers have increased imports of live U.S. bees over the past two years. The value of imported Queens from the United States reached \$1.3 million in 2005.

**World Trade Atlas  
Canada - Imports -Total-  
0106900020 Queen bees, live  
Quantity**

January - December				
Country	- NMB - 2002	- NMB - 2003	- NMB - 2004	% Change - 04/03 -
-- The World --	106,462	106,266	111,442	4.87
United States	86,341	87,954	101,710	15.64
Australia	19,021	8,250	9,518	15.37
New Zealand	1,100	10,062	214	-97.87

Source of data: Statistics Canada

## Tariffs

Canada applies no import tariffs to honey.

## Honey Regulations

Quality standards, packaging and labeling requirements for honey are laid out in the Canada's Honey Regulations. The full text of the honey regulations is available at: <http://laws.justice.gc.ca/en/C-0.4/C.R.C.-c.287/index.html>

## Container Sizes

Canadian honey regulations stipulate the following metric sizes for domestic or imported honey: any net weight up to 150 grams, 250 grams, 375 grams, 500 grams, 750 grams, 1 kg, 1.5 kg, 2kg, 3kg, and 5 kg. For bulk containers: 7 kg, 15kg, 30 kg, or any larger container where net weight is a multiple of 1 kg. However, there is a provision in the regulations for novelty containers in non-standard containers at the discretion of the Minister.

Honey packed in bulk containers and graded under these Regulations shall be packed in accordance with the following sizes of containers:

- (a) 7 kg;
- (b) 15 kg;
- (c) 30 kg; or
- (d) larger containers the net weight of which is measured in multiples of 1 kg.

U.S. honey cannot meet Canada #1 or #2 grade if it contains foreign material that would be retained on a U.S. National Bureau of Standards 60 mesh screen. U.S. exporters marketing liquid honey containing a piece of honeycomb in the jar should note this restriction. Exports to Canada must be accompanied by an import declaration filled out by the shipper and the importer is responsible for inspection fees. Copies of the import declaration are available from the Dairy, Fruit & Vegetable Division, Canadian Food Inspection Agency, telephone (613) 225-2342.

**VISIT OUR WEBSITE:** The FAS/Ottawa website is now accessible through the U.S. Embassy homepage. To view the website, log onto <http://www.usembassycanada.gov>; click on Embassy Ottawa offices, then Foreign Agricultural Service. The FAS/Ottawa office can be reached via e-mail at: [agottawa@usda.gov](mailto:agottawa@usda.gov)